

COLORADO DEPARTMENT OF
LABOR AND EMPLOYMENT
EMPLOYER WEBINAR SERIES

HOW DO I INCLUDE FAMILI PREMIUMS IN MY BUSINESS PLANS?

Division of Family and Medical Leave Insurance
<https://famli.colorado.gov>
December 16, 2021



COLORADO
Department of
Labor and Employment



ABOUT CDLE Employer Webinar Series

Housekeeping:

- Copy of the presentation will be available in the comments; webinar is being recorded and will be available on our YouTube channel
- Please ask your questions in the Q&A function of the Zoom meeting, chat is disabled

Previous webinars on [our YouTube Channel](#)

- Unemployment Insurance Charging Statements, Premiums, Trust Fund
- Paid Sick Leave
- Unemployment Insurance Fraud
- Workers' Compensation in Covid-19
- Apprenticeship Programs

Employer Incentives and Compliance Assistance

Incentives and Compliance Assistance

- Workers' Comp Premium Cost Containment Program
- Public Safety Programs
- Unemployment Insurance Compliance Assistance Seminars
- Voc Rehab Disability Etiquette and Workplace Accommodations
- Wage and Hour guidance

Employer Recognition Programs

- Governor's Summer Job Hunt
- Shining Stars of VR
- Workplace Safety Awards
- Excellence in Apprenticeships

The Division of Family and Medical Leave Insurance

Tracy Marshall
FAMLI Division Director
she/her/hers

Lydia Waligorski
FAMLI Policy Manager
she/her/hers

Joshua Meairs
FAMLI Branch Manager
he/him/his

What is FAMLI?

- Ninth state facilitated paid family medical leave program within the United States
- First and only so far to pass at the ballot
- Prop 118 mandates all workers be covered by protections and benefits
- Social Insurance Program will have capacity to cover ALL workers but qualifying private plans are allowed

Benefits for Employers

Benefits to Employers:

- Increase employee retention and increases labor force participation.
- Help small businesses attract and retain top talent.
- Retain employees with specialized training and knowledge by allowing them to take the leave they may need without worrying if they will have an income to pay their bills and living expenses.
- Clear and timely solutions for overwhelming needs at lower and affordable cost.



For What Reasons Can a Covered Individual Take FAMLI leave?

- Your own serious health condition
- Serious health condition of a family member
- Bonding = birth, foster placement, adoption, caring for child within their first year of birth
- Military exigency leave
- Safe leave

How is FAMLI funded under Prop 118?

Table 3
Premium Responsibilities under Proposition 118

| Employer Type | Employer Premium | Employee Premium | No Premium |
|---|-------------------------|-------------------------|-------------------|
| 9 or fewer employees | | √ | |
| 10 or more employees | √ | √ | |
| Participating self-employed | | √ | |
| Participating local government employee | | √ | |
| Nonparticipating local government | | | √ |
| Nonparticipating self-employed | | | √ |
| Employer with private plan | | | √ |

Table originally published in Colorado Blue Book 2020. Legislative Council of the Colorado General Assembly Research Publication No. 748-1

How is FAMLI funded under Prop 118

- Rate thru 2024 is 0.9% of employees wages
- Both employer and employee contribute to the fund
- A minimum 50/50 split (0.45%) Generosity is allowed
- Rate is set by FAMLI Division Director 2025 and beyond according to formula based on monetary value of fund each year
- Rate is statutorily capped at 1.20%



Rate Calculation Formula

Simple calculation for example only.

$(\text{annual income} \times .009) / 2 = \text{employer share}$

$(\text{annual income} \times .009) / 2 = \text{employee share}$

Example:

$\$65,000 \times .009 = 585$ total paid into FAMILI per year on behalf of the employee

$585 / 2 = 292.5$ Employers can decide to split the cost at least 50/50 with the employee, or pay whole/larger share amount

$292 / 52 = \$5.63$ to estimate per week deduction

Bottom to Top Calculation

Minimum Wage in Colorado= \$ 12.32

Annual minimum wage* = \$ 25,625.60

$(25,625.60 \times .009) = \230.63 per year/2

= **115.32**/52 weeks = \$2.22 per week per employer

\$2.22 per week per employee

Federal taxable wage base

2021 rate= \$ 142,800

$(142,800 \times .009) = 1285.20$ per year/2

= **642.60**/52 weeks = \$12.36 per week per employer

\$12.36 per week per employee

Premiums Calculator Demo

Click here to access calculator:

<https://co.accessgov.com/famli/Forms/Page/famli/famlicalculator/0>

What Amount of PFML do Covered Individuals Receive?

| Weekly wage | Weekly benefit | Maximum annual benefit | Percent of weekly wage |
|-------------|----------------|------------------------|------------------------|
| \$500 | \$450 | \$5,400 | 90% |
| \$1,500 | \$768 | \$9,216 | 77% |
| \$2,000 | \$1,018 | \$12,216 | 68% |
| \$2,500 | \$1,100 | \$13,200 | 55% |
| \$3,000 | \$1,100 | \$13,200 | 37% |

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What Other Protections Does Proposition 118 Offer?

| Protections for Employers | Protections for Employees |
|---|--|
| Runs concurrent with FMLA | Portability |
| Advanced 30 day notice, if need for leave is foreseeable | If an employee has worked for 180 days for the same employer, then job protection mandated |
| Appeals system includes both administrative and judicial review | Clear prohibition against retaliation, right to civil action |
| Penalties for Fraud outlined in ballot language | |
| Oversight- Annual Report to Legislature | Mandated posted education about program and benefits |

How Your Business Can Prepare for FAMLI

| | |
|----|---|
| Q1 | Learn about the new FAMLI program AND request guidance |
| Q2 | Share information with employees and professional organizations AND Participate in ongoing rulemaking and user experience discovery/testing |
| Q3 | Register with FAMLI Division AND Update employee handbooks using model language from CDLE explaining payroll deductions |
| Q4 | Set up payroll deductions for premiums, beginning on January 1, 2023 OR Notify Division and provide documentation of private plans |

How are we getting this done?

Building a Culture of Care

Early and Regular Employer Engagement

Community Outreach and Support

Proposition 118 set the framework. The rules are the floors and foundation

Rulemaking began summer of 2021, and will be ongoing

Technology and Digital services are the doors and windows for entry and flow of information

User experience and human centered design leads the way

Implementation & Planning Timelines

Countdown starts Jan 1, 2022, when first set of rules are enacted

Summer 2022: Public outreach campaign kicks off

Fall 2022: User groups are recruited and invited to begin testing the system by uploading wages, documents etc.

Premium Collections begin January 1, 2023

Summer 2023: User groups are recruited and invited to begin testing claims system

December 1, 2023 the public may apply for benefits ahead of time to begin 2024 leave

Benefits are available beginning January 1, 2024

GET STARTED

- Engage your HR team, third party administrators, payroll companies
- Share this info with your peers, and professional membership organizations/associations, etc (recording available)
- Partner with us during development! Participate in the process (rules hearings), testing sample messaging for employee handbooks/employer toolkits etc)
- **Share your expertise. Be a user group tester**
- Contact us for free technical assistance. Email [FAMILI](#) with questions and requests.

Advance Questions

- How do employees of local governments who opt out pay premiums?
 - Local government employees may self-elect coverage in the same manner and form a self employed person would. This would mean the individual employee creates their own account and is responsible for self reporting their wage data and remitting a quarterly premium into the system.
- Is this some new sort of law requiring employers to pay into some account like the worker's comp insurance?
 - The FAML I program is a statewide insurance program where both employees and employers pay a fee that will provide wage replacement directly to employees when they have a documented need to take leave for a qualifying reason.

Advance Questions

- Our company has 10 employees. Does this affect our business?
 - Yes, all Colorado businesses of 2 and more employees will be impacted by FAMLI. Businesses with 10 or more employees will be required to pay a quarterly premium equal to 0.9% of each employee's wage into the FAMLI fund, beginning 1 January 2023, with the first payment due 1 April 2023. The employer may choose to split the premium cost 50/50 with the employee, and is permitted to deduct half of the premium cost (0.45%) from the employee's wages, but they must submit the full amount (0.9%) to the Division.
- Will this be required of all employers or specific to employers with a certain amount of employees?
 - Yes, All Colorado businesses of 2 or more employees are required to comply with FAMLI by law. Employers of 2-9 people are not required to pay an employer premium. Employers with 2-9 employees will be required to submit to the Division the employee share of the premium, which is equal to 0.45% of the employee's qualifying wages.

Advance Questions

- Does this apply to owner/employees?
 - Sole proprietors may choose to opt into the program but they are not required by law to do so.
- Please provide information on how to use an existing PTO policy to cover FAMLI leave.
 - The FAMLI benefit provides only PARTIAL wage replacement for a worker on leave. With the expressed written permission from an employee a business is able to "top off" or "make whole" the wages of an employee while they are on FAMLI leave if the business chooses to offer this as an additional benefit to their employee. However the law prohibits an employer from requiring an employee to use or exhaust existing PTO before they are permitted to take FAMLI leave.
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- Does this apply to reimbursable employers?
 - Yes, FAMLI applies to all employers. Only local governments have the ability to opt out of FAMLI coverage after a public vote.

Live Q&A -

Please submit your questions in the Q&A section of Zoom.

Thank You!

Email
cdle_famli_info@state.co.us



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